

**Amendments to and Listing of the Claims:**

Please cancel claims 4, 21 and 24 and amend claims 1, 5-6, 8, 19 and 22 as follows:

1. (currently amended) A method for managing selection and insertion of advertisements, the method comprising:

determining an avail bandwidth and subscriber characteristics for an advertisement opportunity within a program stream;

receiving at least one request for advertisement presentation, the at least one request including advertisement characteristics, wherein the advertisement characteristics include comprising intended target market characteristics and minimum bandwidth requirements, wherein the minimum bandwidth requirements represent required amount of bandwidth available within the program stream for the advertisement to be inserted; and

selecting targeted advertisements for insertion into the advertisement opportunity, wherein the targeted advertisements are selected by comparing the intended target market characteristics to the subscriber characteristics and comparing the avail bandwidth and to the minimum bandwidth requirements.

2. (original) The method of claim 1, wherein said selecting targeted advertisements includes selecting advertisements having minimum bandwidth requirements in close proximity to the avail bandwidth.

3. (original) The method of claim 1, wherein said selecting targeted advertisements includes selecting advertisements having minimum bandwidth requirements less than or equal to the avail bandwidth.

4. (cancelled)

5. (currently amended) The method of claim [4]1, wherein said ~~receiving~~determining subscriber characteristics includes receiving node characteristics that are an aggregate of the subscriber characteristics for subscribers associated with a node.

6. (currently amended) The method of claim [4]1, wherein said ~~receiving~~determining subscriber characteristics includes receiving the subscriber characteristics from publicly available data.

7. (original) The method of claim 6, wherein the publicly available data includes real estate records and tax assessment records.

8. (currently amendment) The method of claim [4]1, wherein said ~~receiving~~determining subscriber characteristics includes receiving subscriber characteristics associated with a group of subscribers.

9. (original) The method of claim 1, further comprising retrieving avail characteristics, wherein said selecting targeted advertisements includes comparing the intended target market characteristics and the avail characteristics.

10. (original) The system of claim 1, wherein the intended target market characteristics include demographics.

11. (original) The method of claim 10, wherein a probabilistic distribution is assigned to various demographic attributes.

12. (original) The method of claim 1, further comprising inserting the targeted advertisement into the avail.

13. (original) The method of claim 12, further comprising delivering the advertisement to at least some subset of the subscribers.

14. (original) The method of claim 13, wherein the subset includes individual subscribers.

15. (original) The method of claim 13, wherein the subset includes a group of subscribers.

16. (original) The method of claim 15, wherein the group of subscribers are generated based on connectivity.

17. (original) The method of claim 13, wherein the subscribers include at least some subset of individuals, households, and groups.

18 (original) The method of claim 1, wherein said determining includes determining the avail bandwidth for the advertisement opportunity within a program stream that is part of a multiplexed stream having a plurality of program streams, wherein the multiplexed stream is allocated a multiplex bandwidth and the multiplex bandwidth is divided among the plurality of program streams into program bandwidths, the program bandwidth allocated based on bit rate associated with program contents, and wherein the avail bandwidth is based on the bandwidth available in the multiplexed stream during the advertisement opportunity.

19. (currently amended) A method for managing selection and insertion of advertisements, the method comprising:

recognizing an avail in a program stream, wherein the avail has an avail bandwidth and subscriber characteristics associated therewith;

receiving at least one request for advertisement presentation, the at least one request including advertisement characteristics for a plurality of advertisements, wherein the advertisement characteristics include comprising intended target market characteristics and minimum bandwidth requirements, wherein the minimum bandwidth requirements represent required amount of bandwidth available within the program stream for the advertisement to be inserted;-and

determining a set of advertisements that can be inserted into the avail, wherein said determining is based on whether the avail bandwidth is at least satisfies the minimum bandwidth requirements; and

selecting an advertisement for insertion from the set of advertisements based on comparing the subscriber characteristics and the intended target market characteristics.

20. (original) The method of claim 19, wherein said recognizing includes recognizing the avail within a program stream that is part of a multiplexed stream having a plurality of program streams, wherein the multiplexed stream is allocated a multiplex bandwidth and the multiplex bandwidth is divided among the plurality of program streams into program bandwidths, the program bandwidth allocated based on bit rate associated with program contents, and wherein the avail bandwidth is based on the bandwidth available in the multiplexed stream during the avail.

21. (cancelled)

22. (currently amended) A computer ~~based~~ implemented method for managing selection and insertion of advertisements into a program stream, the method comprising:

receiving a program stream having a time varying bit rate and at least one advertisement insertion opportunity, and wherein the at least one advertisement insertion opportunity has an advertisement insertion opportunity bit rate and subscriber characteristics associated therewith;

selecting an advertisement for insertion into the program stream, wherein the advertisement has a minimum acceptable bit rate and intended target market characteristics, wherein the minimum acceptable bit rate represents minimum available amount of bit rate that must be available for the advertisement to be played in an acceptable format;

determining if the minimum acceptable bit rate is greater than or less than the advertisement insertion opportunity bit rate; and

inserting the advertisement when the minimum acceptable bit rate is less than the advertisement insertion opportunity bit rate and the intended target market characteristics have a sufficient level of comparison to the associated subscriber characteristics.

23. (original) The method of claim 22, further comprising halting the insertion of the digitally compressed advertisement when the minimum acceptable bit rate is greater than the advertisement insertion opportunity bit rate.

24. (cancelled)